

REMARKS

Claims 1-2, 12-15, 24-25, 35-38, and 56-76 are pending in this application. Claims 17-23, 40-46, 48, and 49 have previously been withdrawn from consideration. Claims 3, 4, 5, 8, 10, 11, 16, 26, 27, 28, 31, 33, 34, and 39 have been canceled, and Claims 6, 7, 9, 29, 30, 32, 47, and 50-55 have previously been cancelled. Independent Claims 1, 24, and 56 have been amended as well as dependent Claims 14 and 37. Claims 57-76 have been added. In light of the above listed amendments and the remarks below, the Applicants respectfully assert that no new matter has been added, and the application is now in condition for allowance. The Applicants respectfully solicit an indication of such an allowance.

Response to Objection to Claim 1

Claim 1 has been amended to overcome the objection cited by the Examiner on page 2 of the Office Action. Specifically, the Office Action states that the method claim elements should begin with verbs. Claim 1 has been amended accordingly, and as a result, the Applicants respectfully assert that the objection to Claim 1 has been adequately addressed.

Response to Objection to the Title

The title has been amended to overcome the objection cited by the Examiner on pages 2 and 3 of the Office Action. The Examiner's suggested title of "A METHOD AND SYSTEM FOR PAYMENT PROCESSING" has been adopted.

Claim Rejections Under 35 U.S.C. § 102(b)

Claims 1-3, 24-26, and 56 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 7,194,437 to *Britto et al.* (hereinafter, "*Britto*"). For at least the reasons outlined below, the Applicants respectfully assert that Claims 28-51 are allowable over *Britto*.

Britto describes a service that collects credit and authentication information regarding at least one party on each side of a two-sided funds transfer transaction, receives funds transfer instructions from at least one party on a first side of the transaction and transmits payment instructions to complete the transaction upon successful completion of a transaction review process that utilizes the collected credit and/or authentication information. (*See Britto*, Col. 2,

line 63 – Col. 3, line 6). The transaction review process described in *Britto* may include risk assessment or fraud check scoring provided by a party that is not directly associated with the funds transfer transaction, and the transaction review process may include authentication by an electronic check acceptance and/or guarantee service provider. (See *Britto*, Col. 3, lines 23-29). Further, *Britto* provides for the registration of users where users provide credit card and authentication information regarding the user that may be used during later funds transactions processing operations. (See *Britto* Col. 7, lines 39-59). In *Britto*, a payment request may be rejected or allowed to be processed based on the results of the fraud check/risk assessment processes, which may be conducted on the identity and/or credit/authentication information of both parties to the funds transfer transaction. (See *Britto* Col. 8 lines 5-62).

However, the Applicants respectfully contend that *Britto* does not teach, suggest, or motivate the functionality described in at least amended independent Claim 1. Specifically, the Applicants contend that *Britto* fails to teach or suggest, the following claim elements of Claim 1 (similar claim elements are included in amended independent Claims 24 and 56):

setting a payer status associated with the network user to one of a first payer status and a second payer status based at least in part on the determined credit risk, wherein the first payer status is associated with a first set of payees and the second payer status is associated with a second set of payees, and wherein the first set of payees is different than the second set of payees

transmitting, subsequent to determining that the payer status is set to the first payer status, a payment screen, wherein the payment screen only allows payment to one of the payees of the first set of payees.

(09/820,803, Claim 1). *Britto* does not teach, suggest, or motivate setting a payer status for a network user to a first status or a second status based on a credit risk evaluation “wherein the first payer status is associated with a first set of payees and the second payer status is associated with a second set of payees, and wherein the first set of payees is different than the second set of payees,” as required in Claim 28 (similar claim elements are also included in amended independent Claims 24 and 56). Moreover, *Britto* does not teach, suggest, or motivate, transmitting a payment screen where the payment screen after determining the payer status is set to a first payer status while “only allow[ing] payment to one of the payees of the first set of

payees.” Unlike *Britto*, the method of Claim 1, allows a processing agent (or service provider) to offer payment services to network users associated with various levels of risk while limiting (or expanding) the payment processing functionality available to that user based on that risk. As described in the Applicants’ pending application:

[T]he processing agent 130 may be placed at financial risk in making payments on behalf of registered users. This is especially true when payments are made electronically, or otherwise drawn on an account belonging to the processing agent 130. Credit risk processing ameliorates this risk. The dual “open” and “closed” statuses enable users to be accepted as registered users even if they are unable to meet the credit risk processing standards [A] user having “open” status can direct payments to any payee, while a user having “closed” status can only direct payments to preferred payees. When payments are made to preferred payees, the processing agent 130 is not placed at financial risk, or is placed at only a reduced financial risk.

(See 09/820,803, paragraph 0107). This functionality is advantageous over systems like *Britto*. Nowhere in *Britto* does it describe the payer status determination based on risk and the effect that determination has on limiting the payment options for a particular user while still allowing the user to have at least some payments processed. Rather, as described in *Britto*, the risk assessment process simply assesses whether or not fraud is likely occurring (or would occur), and if the assessment is unfavorable, then the payment is not allowed to proceed with no consideration of allowing the user to proceed on a limited basis, nor is there any consideration of mitigating factors that may reduce the risk such as a specific sponsor or payee assuming the risk of the transaction.

For at least the above stated reasons, the Applicants respectfully contend that *Britto* fails to disclose, teach, suggest or motivate all of the claim elements of amended independent Claims 1, 24, and 56. Therefore, the Applicants respectfully contend that amended independent Claims 1, 24, and 56 are allowable. Further, the Applicants respectfully assert that the claims depending from any of the amended independent Claims 1, 24, and 56 are allowable as a matter of law, notwithstanding the recitation of patentable features that may be included in any of the dependent claims.

Claim Rejections Under 35 U.S.C. § 103(a)

Claims 4, 5, 8, 10-16, 27, 28, 31, 33-39, and 56 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Britto* in view of U.S. Publication No. 2002/0087344 to *Billings et al.* (hereinafter, “*Billings*”). The Applicants respectfully assert that *Billings* (or the combination of *Billings* and *Britto*) does not teach, suggest, or motivate the claim elements of amended independent Claims 1, 24, and 56. For at least these reasons and the reasons listed above discussing the rejection to 35 U.S.C. § 102(b), the Applicants respectfully assert that amended independent Claims 1, 24, and 56 are allowable as are any claims depending from one of the amended independent claims. In other words, the rejections under 35 U.S.C. § 103(a) are now moot in light of the Applicants’ amendments to each of independent Claims 1, 24, and 56 and the accompanying remarks above. Furthermore, the Applicants state that dependent Claims 2, 12-15, 25, 35-38, and 57-76 are allowable as a matter of law, depending from an allowable claim, notwithstanding their independent recitation of patentable features.

For instance, the claim element of amended dependent Claim 62 stating “changing the payer status from the first payer status to the second payer status” is not taught, suggested, or motivated by any of the cited references or any combination thereof. While *Billings* describes a system where “changeable enrollee” information may be updated (*see Billings*, paragraph [0069]), the Applicants respectfully contend that *Billings* does not teach or suggest changing from a first payer status to the second payer status. This functionality described in dependent Claim 62 is supported in at least paragraphs 0102 and 0103 of the Applicants’ pending application. With a payer status change the user may be associated with a different set of payees.

Other dependent claims also describe functionality including (or similar to) a change in the payer status including dependent Claims 59-60, 63-66, 69-70, and 73-76. For example, dependent Claim 65 describes a change in payer status based on a stored payment history. Thus, with a proven history of successful payments, a user’s status may be improved thereby allowing more payment functionality to be available to that particular user. Conversely, if a user begins to not honor the payment transactions, their payer status may be hindered thereby removing some of the payment functionality

available to that user. This functionality, and similar functionality described in several other dependent claims, is not taught, suggested, or motivated by *Britto*, *Billings* or the combination thereof.

The Applicants believe they have responded to each matter raised by the Office Action. Allowance of the claims is respectfully solicited. If there are any issues that can be resolved by a telephone conference or an Examiner's amendment, the Examiner is invited to call the undersigned attorney at (404) 853.8253.

Conclusion

Reconsideration of the application is requested in light of the amended claims, specification and the remarks. The Applicants believe they have responded to each matter raised by the Examiner. Allowance of the claims is respectfully solicited. It is not believed that extensions of time or additional fees are required beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 C.F.R. §1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 19-5029.

Respectfully submitted,

/William T. Cook/

William T. Cook

Reg. No. 58,072

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SUTHERLAND, ASBILL & BRENNAN, LLP
999 Peachtree Street, N.E.
Atlanta, Georgia 30309-3996
Direct Dial: (404) 853-8253
Docket No.: 23952-0147